

FISCAL NOTE

SB 394 - HB 842

February 25, 2003

SUMMARY OF BILL: Exempts local government employees from paying the professional privilege tax.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$1,216,000

Increase State Expenditures - Not Significant - One-Time

Estimate assumes:

- Based on Bureau of Labor Statistics estimates, of the percentage of local government employees in each of the categories covered by the professional privilege tax, 3,040 of the 145,000 currently subject to the tax, are local government employees.
- The professional privilege tax is \$400.
- The decrease in state revenue is calculated as $\$400 \times 3,040 = \$1,216,000$.
- Notification to the affected taxpayers can be accomplished without an individual mailing to each taxpayer.

For Information purposes it should be noted that should the bill become law prior to the due date of the FY02-03 tax, state revenues would decline beginning with FY02-03 as opposed to FY03-04. The act takes effect upon becoming law.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

SB 394 - HB 842